

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0149-03
Bill No.: HB 539
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Dept; Teachers
Type: Original
Date: February 28, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education (DESE)**, there would be no fiscal impact to their agency. Costs to school districts would depend upon participation and the level at which district choose to offer incentives. DESE could not estimate the potential cost, but it could be significant.

Officials from the **Parkway School District** stated there would be no fiscal impact to their district.

Officials from the **Salisbury School District** stated that their district already gives teachers credit for all their years of service. Other incentives could cost the district, but without knowing specific incentives, it is impossible to give an approximate cost figure.

Officials from the **Strafford R-6 School District** stated their district already credits the faculty for all of their years of teaching, when hiring a teacher. They could not see any situation where their district would recommend additional incentives to hire a classroom teacher.

Officials from the **Nixa School District** stated there would be a cost to districts but did not give

ASSUMPTION (continued)

an estimate of cost.

Oversight assumes that even if only a limited number of school districts offered hiring incentives or salary schedule modifications, the fiscal impact could easily exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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SCHOOL DISTRICTS

<u>Cost</u> - Hiring incentives and salary schedule modifications	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)	(Unknown - Expected to Exceed \$100,000)
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ESTIMATED NET EFFECT ON SCHOOL DISTRICTS

<u>(Unknown - Expected to Exceed \$100,000)</u>	<u>(Unknown - Expected to Exceed \$100,000)</u>	<u>(Unknown - Expected to Exceed \$100,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION


This proposed legislation gives school districts the right to include hiring incentives and salary schedule modifications, which can include credit for all prior years of service in another district, to attract and retain teachers. Teachers must be certificated in subject areas that have a demonstrated teacher shortage and must have qualities or credentials that are suited to a district's academic needs. Teachers may be required to teach in the district offering the incentive for up to three years.

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
School Districts
 Nixa
 Parkway
 Strafford
 Salisbury



Mickey Wilson, CPA
Director
February 28, 2005